



**ARIZONA STATE SENATE**  
*Fifty-Second Legislature, First Regular Session*

**FACT SHEET FOR S.B. 1168**

motor vehicle franchises; motorcycle dealers.

Purpose

Provides an exemption from current franchise notification rules for new motorcycle dealerships.

Background

A.R.S. Title 28, Chapter 10, Article 5 governs the franchise relationship between motor vehicle dealers and motor vehicle manufacturers. In the case of motor vehicle franchises, the franchisor is the manufacturer and the dealer is the franchisee. These laws set forth certain obligations for both motor vehicle dealers and motor vehicle manufacturers.

Arizona law requires certain notice requirements and procedures in the event a manufacturer intends to establish another franchise in the state. Existing franchises in the same community (i.e. within 10 miles) have the right to file an objection to the approval of a new dealership selling new motor vehicles of the same line-make after receiving notice of the new dealer's intent to locate from the Director of the Arizona Department of Transportation (A.R.S. § 28-4453).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Adds that new motorcycle dealerships are not subject to notification requirements when attempting to locate a new facility.
2. Becomes effective on the general effective date.

Prepared by Senate Research  
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LL/lS